

1987 Edition

**5TH ANNUAL
REPORT ON
CALIFORNIA
HOTEL
OPERATIONS**

CALIFORNIA LODGING INDUSTRY

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COMMENTS FROM AROUND THE STATE

From Downtown Los Angeles

The development of Los Angeles as a financial hub and the resultant office development has created a strong weekday downtown hotel market. Occupancies are currently in the 65 to 69 percent range and are expected to remain stable in 1987, despite substantial supply additions.

Two major renovations were completed in 1986: the 707-room Biltmore and the 901-room Hilton. A 178-room Best Western also opened in 1987. Long-term projects include the rehabilitation of the 192-room Mayflower Hotel, which will represent the first downtown luxury property, and a 337-room all-suite property; both are scheduled to open in 1988. A hotel for the Pershing Square project and a proposed 398-room hotel at California Plaza are both planned for 1990.

Convention business is expected to boom in the early 1990s with the doubling in size of Los Angeles' downtown convention center. The new center will be competitive for national shows and a convention headquarters hotel may be built.

Average daily room rates are currently at \$70 to \$74 and are expected to increase with inflation.

Shelly La Motte
Los Angeles

From Long Beach

The pro-growth stance of local government has fostered office development and created a strong hotel market with occupancy levels in the 75 to 79 percent range. The presence of a convention center is also a positive factor. Corporate expansion has created pent-up demand for first-class hotel facilities, suggesting that occupancy levels should improve as new

properties come on line over the next several years.

A 375-room Ramada Renaissance opened in 1986 and a 313-room Marriott opened in early 1987. A 484-room Sheraton is currently under construction as part of a mixed-use development and a 510-room hotel is planned as part of the Tidelands redevelopment project.

Average daily room rates, currently averaging \$65 to \$69, have been rising as first-class properties open.

Shelly La Motte
Los Angeles

From Los Angeles International Airport

The strength of this market is based upon its convenient location for meetings; it is particularly attractive to out-of-town corporate travelers. Occupancy levels are in the 70 to 74 percent range and are expected to remain stable as new properties are absorbed.

More than 1,300 rooms were added to the supply in 1986 with the opening of the Strouffers, Radisson and Residence Inn properties. In 1986 the first Marriott Courtyard (146 rooms) in Los Angeles opened; in 1989, a 215-room all-suite property is expected to open. The existing 146-room Ramada will be leveled and replaced with a 500-room Ramada Hotel that is expected to open in early 1989.

Average daily room rates are currently in the low \$60 range and are expected to keep pace with inflation in 1987.

Shelly La Motte
Los Angeles

From the Monterey Peninsula

The Monterey Peninsula encompasses Pacific Grove, Seaside, Marina, Monterey, Pebble Beach, Sand City, Del Rey

Oaks, Fort Ord and Carmel. The Peninsula's scenic beauty, cultural heritage, climate and coastal location make it a primary, year-round destination for travelers. Peninsula attractions include: the 17-Mile Drive, Monterey Path of History, Fisherman's Wharf, Cannery Row, championship golf courses, beaches, California Wine Festival, Monterey Bay Aquarium and the Monterey Jazz Festival. Only the government has a greater impact than tourism on the Monterey Peninsula economy.

Approximately 8,000 rooms comprise the 1986 Monterey Peninsula lodging market. Overall, the upscale properties experienced a slight decrease in occupancy from 77 percent in 1985 to 75 percent in 1986. The annual average daily room rate, however, increased modestly from \$106 in 1985 to \$112 in 1986. The recent additions of luxury hotel properties and increases in rack room rates account for the fluctuations in occupancy and annual average daily room rate.

Upcoming hotel additions are the 212-room Rohr Hotel, expected to open late in 1988 on Cannery Row, and the 270-room Spanish Bay Hotel, scheduled to open in November 1987 in Pebble Beach. No other plans for major hotel additions exist because of the public's anti-growth sentiment and the Visitors Accommodations Facilities Zoning Ordinance (V.A.F.Z. Ordinance).

In spring 1986, Monterey ended its building moratorium and instituted the V.A.F.Z. Ordinance, which established stringent requirements for future development. The ordinance requires re-zoning any land parcel not in a V.A.F. Zone and the approval by public vote of new lodging development. The widespread anti-growth sentiment among Monterey vot-

ers indicates future lodging facilities will be discouraged. This ordinance insures some degree of success for existing hotel facilities, assuming room night demand continues to grow and will increase the value of land previously designated for hotel/motel development.

The Peninsula's tourist appeal, convention capabilities, public anti-growth sentiment and stable economy should continue to support modest growth in commercial, convention, tourism and other segments. The Monterey Peninsula lodging outlook market is optimistic. Major economic indexes indicate stable growth in room night demand with relatively few additions to the lodging supply during next two years.

Gary Zodrow
San Francisco

From Sacramento

During 1986, Sacramento's lodging market continued to experience increased demand. Occupancy was 68.6 percent, a slight decrease from 1985 levels, partially due to the addition of new lodging facilities on Highway 50. The average daily room rate increased slightly in 1986 to \$57.44, compared with \$56 in 1985.

The Highway 50 sector, known as Rancho Cordova, underwent extensive growth in commercial office space during 1986, spurring hotel development along the corridor.

Sacramento's reputation as a city with a stable economic environment and the recently completed tourist attractions have influenced development downtown and along the Sacramento riverfront. The redevelopment of Old Sacramento and the incorporation of West Sacramento City has spurred redevelopment agencies to market these areas aggressively. Sacramento will continue to gain significant additions to room supply, the majority to be centrally located downtown. The 508-room Hyatt Regency, now under construction, is scheduled to open in June 1988, and is expected to boost overall commercial and group demand. The proposed expansion of the Community Convention Center should increase interest in Sacramento as a potential "major convention city."

Early in 1986, Sacramento City Council members decided on an important land use issue: A development plan for 9,300

acres in North Natomas was approved. The area extends north from Interstate 80 toward Sacramento Metropolitan Airport, along both sides of Interstate 5. The first phase includes a 17,000-seat permanent sports arena to house the Sacramento Kings. A 65,000-seat sports stadium and a full range of commercial and technology-oriented development in North Natomas is being discussed. Consequently, interest in North Natomas has been growing, and

Rancho Cordova (Additions)

Property	Number of Rooms
Days Inn	131
Sheraton Sunrise	265
Marriott Courtyard	148
Heritage Inn	125
Best Inn	94
TOTAL	763

it is anticipated that this area will undergo rapid development similar to recent growth on the Highway 50 corridor.

Historically, Sacramento has accommodated a high percentage of state and county government per diem demand, restraining the annual average daily room rate. However, the market segmentation has changed, influenced by the increase in construction and absorption of commercial office space, and expanded meeting facilities. We believe the annual average daily room rate for Sacramento should increase significantly over the next two to three years.

The outlook is bright for Sacramento. The oversupply of guest rooms may adversely affect hotels for the next one to two years, but as additions begin to absorb demand, and growth is spurred by development, we believe the Sacramento lodging market will prosper.

Whitney Carpenter
San Francisco

From San Diego

Several factors have contributed to this year's rise in occupancy levels in the San Diego area over the past two years. The recognition that this previously considered navy town has emerged as a more attractive resort/convention-oriented city has brought occupancy in San Diego County significantly higher than the

national averages. The area has experienced an increase in room-night demand resulting in rapid absorption of new supply. This condition is expected to continue throughout the next few years with the opening of the San Diego Convention Center, anticipated for July 1989.

Not only is San Diego expected to be a major convention center city with arrival of the new 360,000-square-foot center, but developers are also expanding their focus toward development of golf and water-oriented sports. San Diego is ideal for this type of development because of its favorable year-round climate, waterfront location and numerous golf courses. Despite the relatively high construction costs and the difficult zoning and approval process that developers experience when trying to expand the San Diego hotel market, supply growth is expected at 9.7 percent with 3,000 new rooms on line for 1988. This growth is due to the fact that the market is now opening up to larger chain-affiliated properties. The building of a 450-room Omni Hotel, the addition of 883 rooms to the Marriott Convention Center Hotel & Marina (formerly the Hotel Intercontinental) which brought the total room number to 1,368, and the midyear 1987 openings of a 338-room Embassy Suite property and a 300-room Meridien property all exemplify this.

Market absorption of these new properties is expected when the city plays host to the Superbowl in 1988 and the America's Cup sailing competition in 1991, two major events which are anticipated to cause demand growth.

There is a concern now being expressed by some which poses the question of what kind of an impact will this development and change have on the environment and traffic flow within San Diego County. This general concern focuses on slowing growth and preventing what is frequently referred to as the "Los Angelization" of San Diego.

Bruce L. Goodwin
San Diego

From San Francisco

The San Francisco lodging market is comprised of six distinct sectors: the Financial District, Union Square, Nob Hill, Fisherman's Wharf, Civic Center, and B+ class or boutique hotel properties.

The majority of the lodging sectors maintained relatively stable occupancy

levels. Union Square's occupancy level increased to 70 percent in 1986, compared with 67 percent in 1985; Nob Hill's 1986 occupancy level decreased slightly from 74 percent to 73 percent; the Financial District lodging sector's occupancy level increased by 2 percentage points in 1986 to 74 percent; Fisherman's Wharf maintained a stable occupancy level of approximately 84 percent; the Civic Center lodging sector exhibited the greatest decrease in occupancy—3 percentage points to 62 percent in 1986 and the B+ class or boutique hotels experienced a slight decrease in occupancy by approximately 1 percentage point to 79 percent in 1986. San Francisco's citywide occupancy increased approximately 1 percentage point to 72 percent in 1986, which can be attributed to the absence of major hotel additions and the city's attractiveness to various demand segments.

The annual average daily rate for a majority of these lodging sectors displayed at least a two dollar increase from 1985, except for the Civic Center. Union Square's annual average daily rate increased by three dollars to \$107 in 1986, and Nob Hill's annual average daily rate increased by seven dollars to \$156. The Financial District's 1986 annual average rate of \$115 was ten dollars higher than the previous year, primarily as a result of increased rack rates and decreased discounting to groups and conventions. Fisherman's Wharf exhibited a modest increase of three dollars to \$91 in 1986. The Civic Center lodging sector experienced a three dollar decrease to \$62 in 1986, attributed to the hotels' attempt to attract the more price-sensitive consumers to boost occupancy levels. The B+ class or boutique hotels displayed a strong increase of nine dollars in annual average daily rate to attain a year-end rate of \$78. San Francisco's city-wide annual average daily rate increased by three dollars to \$103 in 1986.

The construction of six major hotels is expected to be completed between 1987 and 1990, adding approximately 3,259 first-class rooms to the San Francisco lodging market. The 160-room Mandarin, located in the center of the Financial District, is scheduled to open in mid-1987. The 330-room Portman Hotel and the 525-room Nikko Hotel will open in Union Square in late 1987. The 360-room Park Hyatt, located in the Financial Dis-

trict, anticipates opening in November 1988. In 1990, the 1,500-room Marriott Marquis will open adjacent to the George M. Moscone Center.

The Marriott Marquis will complement the existing convention center facilities with approximately 85,000 square feet of meeting/banquet space and improve San Francisco's ability to accommodate large conventions. In 1988, the 1,600-room San Francisco Hilton Hotel and Tower is adding 384 rooms and approximately 50,000 square feet of meeting space, for a total of 1,978 rooms and 110,000 square feet of meeting/banquet space.

Although the number of large meetings and conventions increased in 1986, the number of registered delegates declined. Three projects should have a positive impact on San Francisco's ability to attract major conventions: a 310,000-square foot expansion of the George M. Moscone Center, which is expected to be completed by January 1992, an expansion of the San Francisco Hilton and completion of the Marriott Marquis. These factors are expected to have a positive impact on the city's ability to attract major conventions. The outlook for the San Francisco lodging market is continued growth in the convention and tourism segments, and a slight improvement in commercial demand. The large influx of proposed guest rooms, however, will dilute room demand in certain sectors through 1990, creating an extremely competitive lodging market in San Francisco for the next two to three years.

Mary Jo Martin
San Francisco

From the San Francisco Airport Area

The San Francisco Airport lodging market has again demonstrated its ability to absorb new hotels with minimal effect on area-wide occupancy levels. The supply of hotel rooms grew substantially during 1986. The number of available rooms increased 26 percent, from approximately 4,700 rooms in early 1986 to more than 5,900 rooms by December 1986. Although the supply increased significantly, the 1986 occupancy level only decreased slightly, from 74 percent in 1985 to 72 percent in 1986. This is viewed as a fairly strong rebound, considering the addition of 1,222 rooms.

The three new all-suite hotels in the San Francisco Airport area boosted growth in the commercial market segment by providing facilities to satisfy demand previously not accommodated. All-suite properties are an attractive alternative to people relocating to San Mateo County.

The 1986 year-end average daily room rate remained relatively stable, \$65.09 in 1986 compared with \$65.05 in 1985, suggesting the influx of new properties—opening at an initial discount rate—did not have a dramatic impact on performance levels.

According to the San Mateo Development Association, the 1986 year-end vacancy rate for commercial space in San Mateo County was 15 percent. During 1986, interest in leasing commercial office space for research and development intensified, partially because of the relocation of companies testing Silicon Valley products. Available land and commercial office space, as well as attractive lease arrangements, enhanced this trend. Overall, 1986 proved to be a strong year for real estate brokers selling commercial and light industrial space. Foster City's Metro Tower, with approximately 400,000 square feet of space, opened in 1986 and is anticipated to generate significant lodging demand in the commercial traveler segment because of its tenant mix.

Hotels scheduled to open in 1987 include a 393-room Westin in Millbrae, a 324-room Sofitel in Redwood Shores, a 147-room Marriott Courtyard in Foster City and a 311-room La Quinta Hotel in South San Francisco. A 794-room Hyatt Regency in Burlingame is scheduled to open July 1988. Despite the market's ability to absorb significant increases in supply, this addition of 2,266 hotels rooms by 1988 may have an adverse impact on performance levels as competition from new properties affects the older airport hotels.

Jeff Biales
San Francisco

From the Silicon Valley

Silicon Valley's semiconductor industry continues to rebound from an economic downturn that began in 1983. Silicon Valley, which houses the highest concentration of high-technology space in the world, originally included Sunnyvale, Mountain View, Cupertino, Santa Clara and San Jose. It recently has been expand-

ing north to Palo Alto, south to Morgan Hill and Gilroy, and east to Milpitas, Fremont and Hayward. This geographical expansion has been attributed to the cost of light industrial and office space. Many new manufacturers of electronic components cannot afford the high leasing costs in Silicon Valley. As a result, neighboring communities are creating less costly alternatives for the lucrative, high-profile, semiconductor-related industries, enhancing their images and local economies.

The area-wide economic downturn of the semiconductor industry continued to affect hotel demand in 1986. Occupancies for the first-class lodging facilities of Palo Alto, Mountain View, Sunnyvale, Santa Clara, Campbell and San Jose decreased from 73 percent in 1985 to 67 percent in 1986. The resulting fierce competitive environment had a negative effect on room rates, which decreased from \$84 in 1985 to \$75 in 1986.

Three other factors contributed to the decrease in performance levels: Increased competition among semiconductor manufacturers, both nationally and internationally, depressed the area's "Book to Bill" ratio, a key indicator of the industry's health; several new lodging facilities opened in 1986, increasing the supply of high-quality guest rooms, and the previously mentioned ability of neighboring cities to attract semiconductor businesses redistributed room demand outside the "original" Silicon Valley.

During 1986, five lodging additions opened in the area. In March, an 80-unit Residence Inn was completed in Campbell, the chain's fourth addition to Silicon Valley, and an 88-unit Woodfin Suites opened in Sunnyvale. In Palo Alto, the exclusive 61-room Garden Court Hotel opened in September. This property holds special appeal for executive business travelers because of its high degree of service and quality facilities. A 500-room Doubletree Hotel opened in Santa Clara during

San Francisco Airport Area (Additions)

Property	Number of Rooms	Location
Embassy Suites	344	Burlingame
Hotel Ibis	306	Burlingame
Comfort Inn Suites	167	South San Francisco
Residence Inn	180	San Mateo
Holiday Inn	246	Foster City
Total Rooms	1,222	

November. This property is located adjacent to the new Santa Clara Convention Center, which features approximately 100,000 square feet of exhibit space and a 25,000-square-foot main ballroom. The Cupertino Inn, which opened in December with 124 guest rooms, is comprised primarily of suites and features a complimentary breakfast and cocktail hour.

With the addition of the new San Jose Convention Center scheduled for completion in early 1989 and the recently completed Santa Clara Convention Center, Silicon Valley will be less dependent on the individual commercial traveler. The lodging user profile will be more diversified and less susceptible to positive or negative economic changes, resulting in a more stable lodging economy.

The outlook for the Silicon Valley lodging market remains positive despite the 1985-86 economic setback. All indications suggest Silicon Valley's lodging industry will experience a strong year in 1987. Semiconductor-related businesses expanding to less costly neighboring cities is only expected to increase Silicon Valley's presence and enhance its national and international image.

Robert C. Mullikin
San Francisco

From Ventura/Oxnard

This area is emerging as one of the fastest-growing markets within Southern

California due to its affordable land prices and good labor pool. In 1986 the area's first-class hotels achieved a combined occupancy level of 60 to 64 percent with an average daily room rate of \$55 to \$59.

The Mandalay Beach Embassy Suites, with 250 suites, the 285-room Sheraton and the 135-suite Country Inn in Port Hueneme opened in early 1986. The 236-unit Radisson Hotel and the 91-room Channel Island Motel opened in early 1987.

Shelly La Motte
Los Angeles

From West Los Angeles

This market, which caters to the luxury commercial segment, is very strong. Major demand generators include the entertainment and advertising industries.

No new properties opened in 1986, but a 370-room Four Seasons Hotel opened in 1987. Properties expected to open in 1988 include a 375-room Marriott in Century City and an 81-room St. James Club which is geared toward serving the entertainment industry, in West Hollywood. Also planned for 1988 is a Days Inn with 134 rooms and a 311-room Sofitel property which is currently under construction.

Shelly La Motte
Los Angeles

FACTS AND FEATURES INFLUENCING THE CALIFORNIA LODGING MARKET

Special features:

- In 1986 60,000 moved to San Diego (now the 7th largest city in the nation), causing more extensive nightlife and more cultural activities.
- San Diego county hosted 510,000 delegates last year, proving to be a good convention location.
- Party boats are a new popularity for group events.
- San Diego's close proximity to Mexico offers vacation variety.
- Tourism soared because it created jobs for the unemployed in the state.
- Often referred to as "12 Californias," this state offers much diversity.
- California is the most popular state to foreigners second to New York.
- The San Diego trolley travels directly into Tijuana.
- Turning downtown flophouses into midpriced hotels proves to be a successful venture.
- A new niche in the industry is renovation, and the benefit is retention of old building charm and originality.
- A Federal judge says hoteliers can rent copyrighted video recordings for guests.
- In southern California, newly opened resort hotels are booming with demand.
- Los Angeles, Anaheim, Palm Desert

and others are featuring special youngster amenities:

- surprise snacks brought to the room
- mini terry robes
- video games
- babysitting
- gifts at meal-time
- San Diego has undergone extensive downtown redevelopment in the lodging industry.

Places and events:

- San Diego Museum of Art
- San Diego Wild Animal Park
- Gaslamp Quarter
- Balboa Park
- San Diego Zoo
- Baja—a duty-free port
- Universal Studios Tour
- Knotts Berry Farm
- Sea World
- Magic Mountain
- Yosemite National Park
- Death Valley
- Super Bowl
- Amnesty International

Conventions:

- Women's Bowling Congress (Ana-

heim)

- Church of God in Christ Women's International Convention
- Eckankar International Worldwide (San Francisco)

State facts:

- Occupancy percent was 70.9 percent.
- Average room rate was \$64.43.
- Total number of rooms available was 290,000.
- Total number of hotel employees was 152,500.

Fortune 500 companies:

In 1986 the number of companies in California that made the Fortune 500 list was 35 compared with 34 in 1985. Below are the cities in which these companies' corporate headquarters are located.

City	Number of Fortune 500 Companies
Los Angeles	7
San Francisco	4
Sunnyvale	3
Beverly Hills	2
Palo Alto	2
Santa Clara	2
Oakland	2
Santa Monica	2
Cupertino	2
Other*	9

*contains cities that only have one Fortune 500 company

THE CALIFORNIA LODGING INDUSTRY—1986

by Elizabeth Ann Rifkin
Research Division
Executive Offices

This is Lavenhol & Horwath's fifth annual in-depth analysis on the California lodging industry. More than 160 questionnaires were returned from lodging properties in California this year; after reviewing the information for accuracy and credibility, 149 responses were included in this analysis. Much of this data was collected as a result of the 1986 editions of L&H's *U.S. Lodging Industry*, *U.S. Economy/Limited-Service Lodging Industry* and *All-Suite Lodging Industry* reports.

The information provided in this report is to be used as a guideline when comparing a single property with the California lodging market. It is not an attempt by Lavenhol & Horwath to set or conform prices or operating ratios for the industry.

As in previous editions, the California lodging dollar is presented using means, with the remainder of the exhibits reporting medians. A median is the middle value of all responses that have been arranged sequentially. Since all properties did not provide information on each line item, results have been analyzed individually and the results are based on only those supplying data for a specific line item. For a full explanation of medians, refer to the article "Understanding Medians and Means" on page 32.

Lavenhol & Horwath expresses its thanks to all of the concerned lodging operators participating in this study. With the continued support of these and other operators, we will be able to continue to produce the industry's most authoritative sources of lodging information.

General overview

Responding properties generated more than \$1.2 billion in total revenue, with approximately 60 percent, or \$720 million, from room sales. As a ratio to room sales, approximately 75 percent of this was considered net rooms department income (Exhibit 6).

The median occupancy rate for all respondents in this study was 70.9 percent, an increase over last year's median of 69.3 percent. This increase in occupancy can be attributed to several factors:

- low gasoline prices,
- decline in the value of the dollar, and
- reduced U.S. travel overseas due to fear of terrorist attacks.

In addition, the percentage of foreign guests staying at California hotels increased more than 5 percent in 1986 (Exhibit 2).

Exhibit 2 also presents market data for all establishments as well as by size of property. Two key figures which are important to lodging operators stand out: The percentage of guests with advanced reservations was 74.2 percent, up significantly over last year's median amount of 63.6 percent. Unfortunately, capturing customers for a return visit proved difficult; only 25.2 percent were repeat patrons compared with 36.3 percent in the previous year. Hotels must be aware of the percentage of repeat business they achieve and, when this figure declines, they should try to determine the reason and correct the situation. Operators must keep up with the more sophisticated desires of

travelers and they must not neglect the basic premise of providing hospitality and personalized service to guests. Charts 2 through 5 present information on guest services and technology that was available in the responding properties in 1986.

California properties located in city and airport locations fared well in terms of occupancy and room rates; both of these figures increased over the past year. Resort hotels as a group realized the highest occupancies and average room rates for 1986 but both of these statistics were below the figures reported in last year's edition of *California Lodging Industry*.

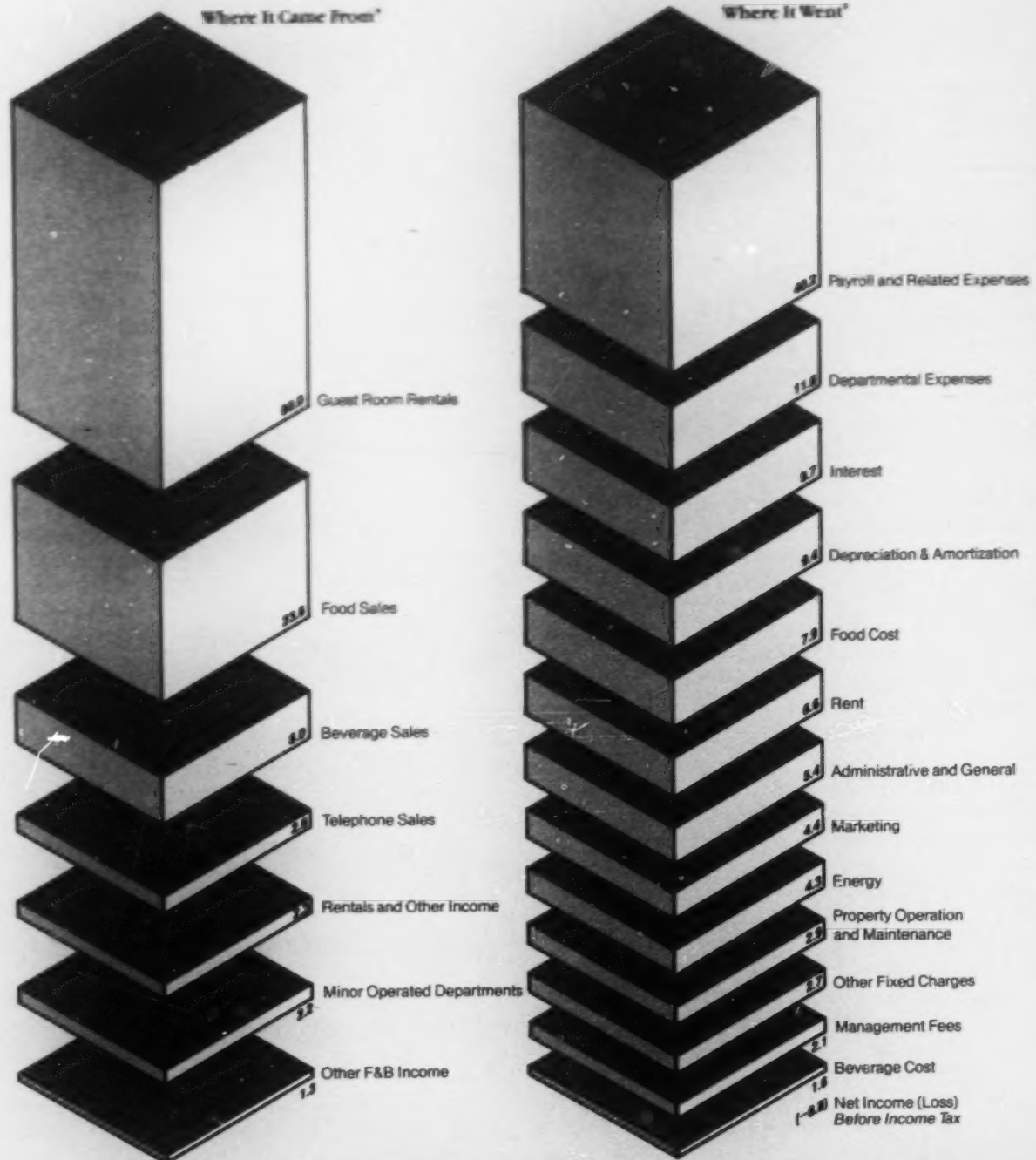
Economies of scale did not hold true regarding size of the property. The group of hotels with less than 150 rooms proved the most profitable with a net income of almost \$2,000 per available room. Our results show that the greater number of rooms in a hotel, the more money lost on a per room basis in 1986 (Exhibit 8).

In addition to rooms revenue, many hotels rely heavily on the revenue generated by their restaurants and bars or lounges. In the California hotels surveyed, the median amount spent on food and beverages by guests per day was \$22.54 or slightly more than half of what they spent on their rooms. This is another reason to remember quality service to guests; since the average length of stay on a nationwide basis is between two and three nights, dissatisfied guests could result in the loss of potential sales in restaurant or bar business.

Other sources of revenue in a hotel—the telephone department, minor depart-

Chart 1

The California
Lodging Industry Dollar 1986



*Based on the weighted mean.

ments (gift shop or newsstand) and rentals or other income areas—can help in the overall profitability of an operation. As a group and by size of category, each segment produced a positive cash flow: \$90 profit per room for the telephone department, \$66 per room for minor departments and \$279 per room for rentals and other income. While relatively unimportant in terms of the \$11,947 per room profit that the rooms department generated, these amounts can help to offset the expenses of the nonrevenue-generating areas of a hotel such as accounting, mar-

keting and engineering. These minor department profit figures, along with details of each area, can be located in Exhibit 9.

Responding California operations spent more than \$1,400 per room in the marketing department. Approximately one-third of this was spent on payroll and related expenses (Exhibit 17). In Exhibit 11, information is provided on how the marketing dollar was allocated. After payroll, the largest marketing expenditure was advertising (print, radio and TV, outdoor signs and other miscellaneous advertising).

Summary

Numerous factors influence the profitability of a hotel. Many, such as tax laws, gasoline and airline travel prices and the value of the American dollar, cannot be controlled by the hotel. What can be controlled is the quality of service provided to each guest. By concentrating on guest needs and insuring a pleasant stay, hotels will have more control over creating a profitable operation.

Exhibit 1
1987 Profile of Contributors

Affiliation	
Chain/Owned	34.8%
Chain/Lessed	0.7
Chain/Managed	14.2
Chain/Franchised	14.9
Independent	26.2
Not Reported	9.2
Occupancy	
Less than 60%	23.9%
60.0-69.9%	23.9
70.0-79.9%	29.2
80.0% & Over	23.0
Profit/Loss	
Profit	39.0%
Loss	27.0
Not Reported	34.0
Location	
Center City	36.9%
Suburban	22.0
Airport	18.4
Highway	9.2
Resort	12.8
Not Reported	0.7
Average Room Rate	
Under \$45.00	16.8%
\$45.00-\$59.99	23.9
\$60.00-\$79.99	31.9
\$80.00 & Over	27.4
Size	
Under 150 Rooms	36.4%
150-299 Rooms	28.3
300-599 Rooms	26.5
600 & Over	8.8

Exhibit 2
Market Data*

	All Establishments	Size of Property			
		Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Source of Business					
Foreign	15.3%	12.9%	13.0%	17.2%	**
Domestic	84.7	87.1	87.0	82.8	**
Total	100.0%	100.0%	100.0%	100.0%	**
Percentage of Repeat Business	25.2%	27.0%	24.5%	19.8%	**
Composition of Market					
Leisure	28.4%	35.8%	20.3%	32.7%	**
Business/Government	44.8	50.3	53.1	31.5	**
Conference Participants	16.5	5.3	17.7	23.9	**
Other	10.3	8.6	8.9	11.9	**
Total	100.0%	100.0%	100.0%	100.0%	**
Percentage of Guests with Advance Reservations	74.2%	59.4%	81.2%	87.6%	**
Advanced Reservations Mix					
Direct Inquiry	45.0%	58.9%	35.3%	33.4%	**
Own Reservation Systems	18.9	19.1	15.5	26.2	**
Independent Reservation Systems	5.1	4.2	5.2	4.1	**
Travel Agent	17.4	11.6	25.0	15.7	**
Tour Operators	3.9	1.4	2.3	11.3	**
Hotel Representative	9.2	4.8	16.4	8.6	**
Transportation Company	0.5	0.0	0.3	0.7	**
Total	100.0%	100.0%	100.0%	100.0%	**

*All amounts are means.

**Insufficient response.

Exhibit 3
Distribution of Sales*

	All Establishments	Size of Property			
		Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Sales Distribution					
Cash Sales	27.0%	32.7%	25.5%	16.5%	**
Credit Card Sales	58.8	57.8	59.6	64.8	**
All Other Credit Sales	14.2	9.5	14.9	18.7	**
Total	100.0%	100.0%	100.0%	100.0%	**
Percentage of Cash Sales from Travel Agents and Tour Operators					
	10.8%	9.1%	**	10.5%	**
Percentage of Credit Card Sales by Card					
American Express	43.1%	35.3%	45.9%	45.8%	**
Visa	26.0	32.0	23.8	23.1	**
Master Card	20.5	21.9	17.4	24.6	**
Diners' Club	6.0	6.2	7.1	3.3	**
Carte Blanche	2.2	2.3	2.7	1.9	**
Discover	1.2	1.5	0.9	0.6	**
Other	1.0	0.8	2.2	0.7	**
Total	100.0%	100.0%	100.0%	100.0%	**

*All amounts are means.

**Insufficient response.

Exhibit 4
Occupancy, Guests Per Room and Average Room Rate*

	Occupancy	Guests Per Room	Average Daily Rate
All Establishments	70.9%	2.14	\$64.43
Size			
Under 150 Rooms	74.2%	1.44	\$46.79
150-299 Rooms	68.2	2.00	63.51
300-599 Rooms	71.2	2.14	75.86
600 & Over	65.6	2.56	84.81
Average Room Rate			
Under \$45.00	74.9%	**	\$35.47
\$45.00-\$59.99	71.8	1.73	52.06
\$60.00-\$79.99	70.6	2.21	67.41
\$80.00 & Over	66.8	2.51	97.95
Occupancy			
Less than 60.0%	52.4%	2.13	\$63.47
60.0-69.9%	65.6	2.10	72.00
70.00-79.9%	75.0	2.12	62.23
80.0% & Over	84.7	2.11	63.51

*All amounts are medians.

**Insufficient response.

Chart 2
Guest Services

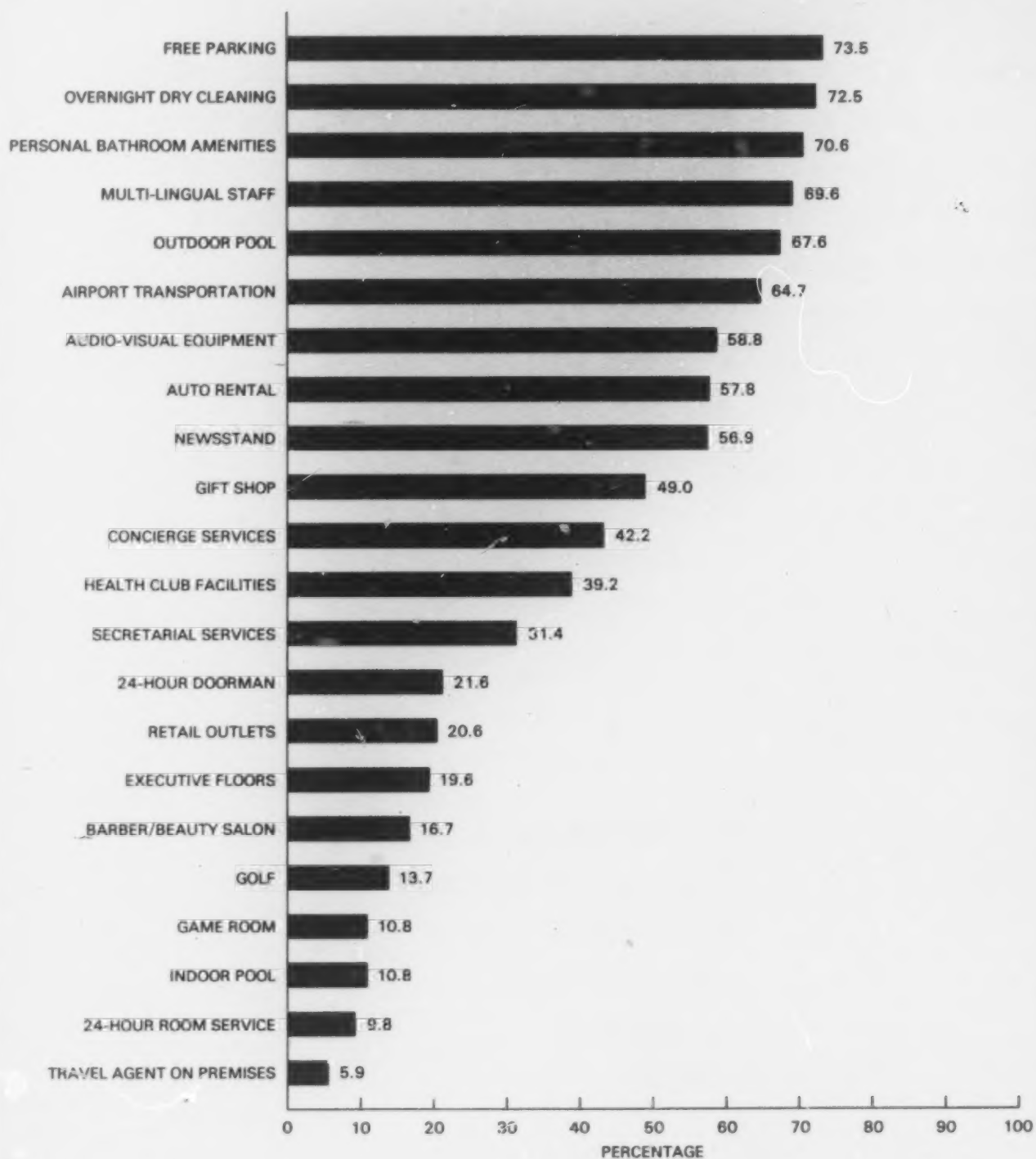


Chart 3
Technological Characteristics—
Property Automation

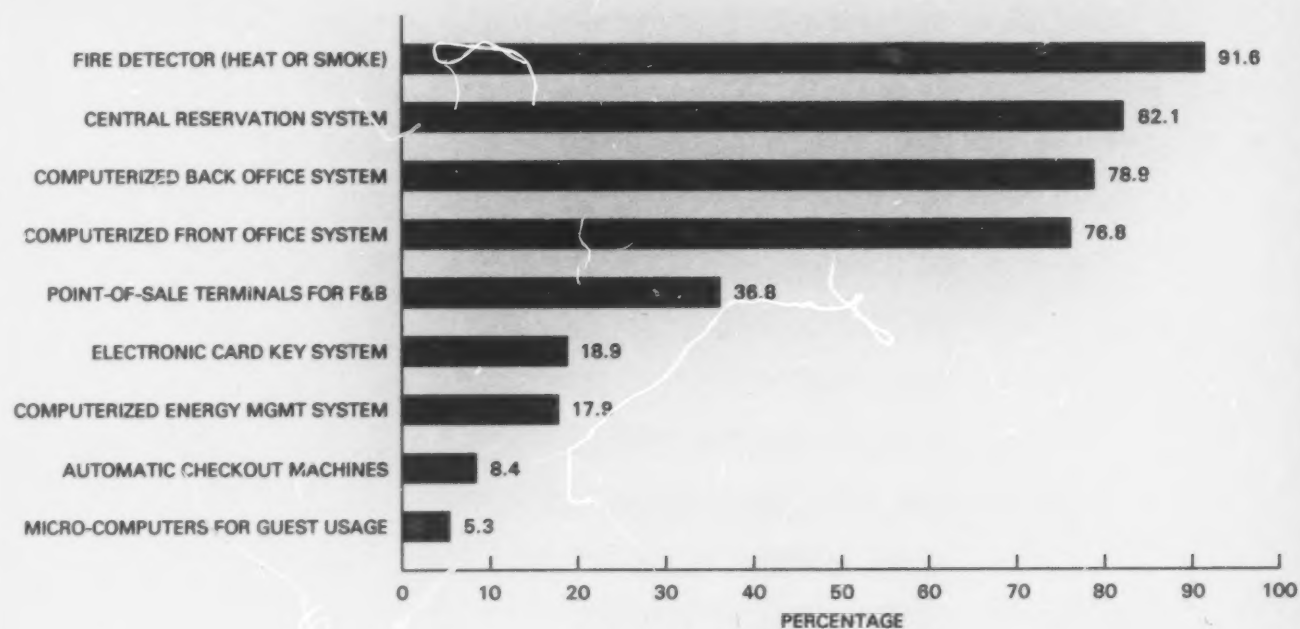


Chart 4
Technological Characteristics—
In-room Entertainment Systems

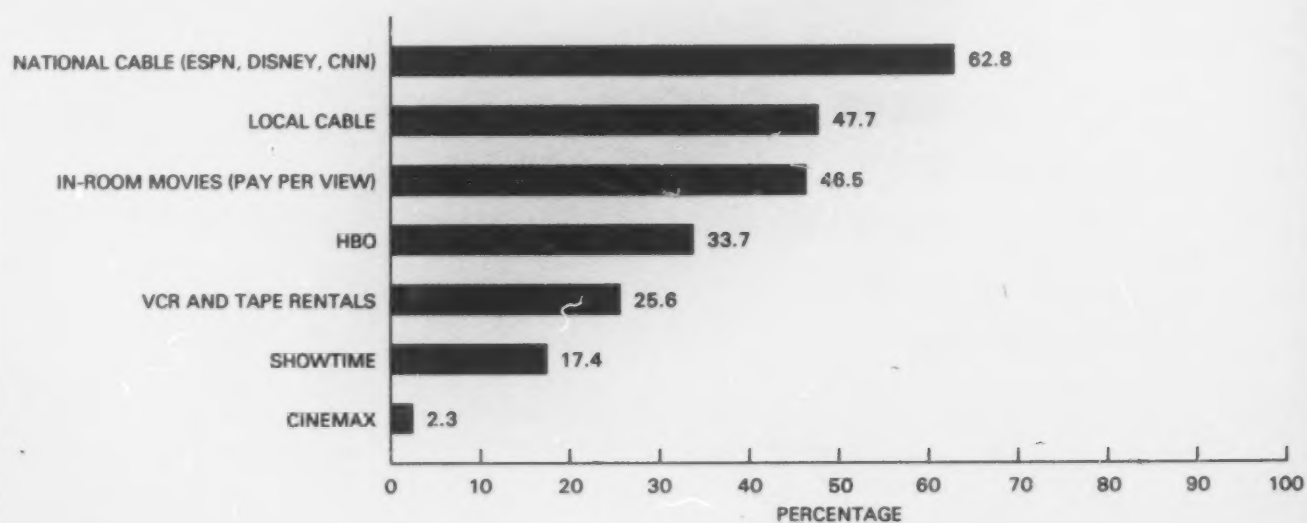


Chart 5
Technological Characteristics—
Telephone Services

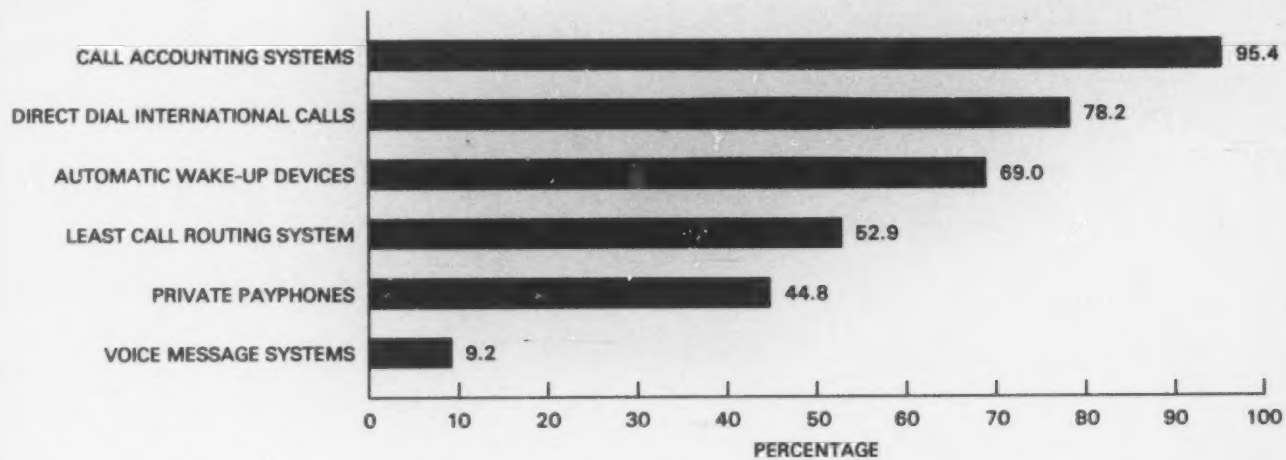


Exhibit 5
Sales Per Guest Day*

	All Establishments
Rooms	\$44.48
Food & Beverage	22.54
Telephone	1.82
Minor Departments	0.63
Rentals & Other Income	0.91
Total	\$67.89

*All amounts are medians and do not necessarily add to totals shown.

Exhibit 6
Rooms Department
Ratio to Room Sales*

	All Establishments	Size of Property			
		Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Revenue					
Room Sales	100.0%	100.0%	100.0%	100.5%	100.5%
Allowance	0.7	**	0.5	0.7	**
Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Expenses					
Payroll & Related	17.9%	17.1%	17.7%	19.0%	22.8%
Travel Agent Commissions & Reservation Expense	2.6	1.2	2.9	3.3	**
Contract Cleaning, Dry Cleaning, Linen & Laundry	2.0	1.3	1.8	2.7	**
Operating Supplies	2.2	2.2	2.1	2.4	**
All Other Expenses	1.3	0.9	1.6	1.4	**
Total Departmental Expenses	25.2	22.4	25.2	29.6	31.9
Net Departmental Income	74.8%	77.6%	74.8%	70.4%	68.1%

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Average Daily Rate

Under \$45.00	\$45.00-\$59.99	\$60.00-\$79.99	\$80.00 and Over
100.0%	100.0%	100.5%	100.0%
**	0.4	0.7	0.6
100.0%	100.0%	100.0%	100.0%
16.6%	16.9%	19.3%	18.0%
**	2.5	2.9	2.9
1.1	0.8	2.7	2.4
2.7	2.0	2.4	2.1
**	2.1	1.0	1.3
21.6	23.5	29.3	27.5
78.4%	76.5%	70.7%	72.5%

Exhibit 7
Ratios to Telephone Department
Expenses*

	All Establishments
Sales	100.0%
Cost of Sales	
Cost of Calls	51.1
Equipment Rental	7.7
Total Cost of Sales	60.1
Payroll & Related Expenses	28.3
All Other Expenses	3.2
Total Departmental Expenses	86.4
Net Department Income (Loss)	14.2%

*All amounts are medians and do not necessarily add to totals shown.

Exhibit 8
Ratios of Total Food and Beverage Sales*

	All Establishments	Restaurant Operated Total Food & Beverage Sales as a Ratio to Total Sales†			
		0-25.0%	25.1-35.0%	35.1-45.0%	45.1% and Over
Sales					
Food	75.8%	76.6%	73.3%	74.7%	**
Beverage	24.3	23.9	26.7	25.3	**
Total	100.0%	100.0%	100.0%	100.0%	**
Cost of Sales***					
Food	32.2%	32.5%	31.8%	33.8%	**
Beverage	21.1	21.0	20.0	21.3	**
Total	29.8%	30.3%	28.5%	30.7%	**
Gross Profit	70.6%	70.4%	71.5%	69.3%	**
Public Room Sales	4.1	7.3	3.1	3.5	**
Other Income	1.3	1.8	1.1	1.1	**
Total	76.5%	79.4%	76.2%	75.6%	**
Departmental Expenses					
Payroll & Related Expenses	48.3%	56.6%	54.8%	48.9%	**
China, Glassware, Silver & Linen	1.3	1.1	1.6	1.1	**
Contract Cleaning	0.3	0.3	0.3	0.3	**
Laundry & Dry Cleaning	1.2	1.4	1.3	1.0	**
Operating Supplies	2.4	2.4	2.6	2.1	**
Uniforms	0.5	0.5	0.6	0.4	**
All Other Operating Expenses	3.9	4.4	3.9	3.3	**
Total	62.2%	71.5%	64.8%	56.5%	**
Departmental Income	14.1%	2.3%	7.5%	19.5%	**

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

***Cost of sales ratios, except total cost of sales, are shown as a percentage of corresponding sales.

†Readers should be cautioned that these figures are not directly comparable with those in previous reports.

Average Room Rate

Under \$45.00	\$45.00-\$59.99	\$60.00-\$79.99	\$80.00 and Over
**	77.6%	75.1%	74.4%
**	22.4	24.9	25.6
**	100.0%	100.0%	100.0%
**	32.3%	33.6%	31.4%
**	19.8	21.2	21.3
**	29.5%	30.0%	29.1%
**	70.5%	70.0%	71.3%
**	5.2	5.4	1.8
**	0.9	1.2	1.6
**	78.4%	76.8%	75.1%
**	44.0%	49.4%	56.0%
**	1.1	1.4	1.2
**	**	0.3	0.4
**	**	1.0	1.4
**	2.6	2.4	2.3
**	0.3	0.6	0.6
**	4.0	2.8	4.8
**	58.3%	62.2%	66.8%
**	22.0%	12.3%	5.1%

Exhibit 9

Minor-Operated Departments and Other Income Amounts Per Available Room*

Amounts Per Available Room	All Establishments	Size of Property			
		Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Telephone					
Sales	\$730	\$569	\$631	\$879	**
Cost of Sales					
Cost of Calls	391	306	399	427	**
Equipment Rental	56	148	57	29	**
Total	438	438	447	456	**
Payroll & Related Expenses	256	**	154	276	**
All Other Expenses	24	**	22	41	**
Total Department Expenses	652	459	595	732	**
Net Department Income (Loss)	\$90	\$56	\$96	\$114	**
Minor Departments					
Sales	\$289	**	\$233	\$502	**
Cost of Sales	74	**	74	109	**
Payroll & Related Expenses	174	**	124	274	**
Other Expenses	30	**	35	36	**
Total Department Costs & Expenses	248	**	183	293	**
Net Department Income (Loss)	\$66	**	\$78	\$79	**
Rentals & Other Income					
Space Rentals	\$201	\$160	\$143	\$232	**
Concessions	49	**	**	48	**
Commissions	29	21	34	29	**
Other	98	94	69	108	**
Total Department Income	\$279	\$70	\$316	\$426	**

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Exhibit 10

Analysis of Administrative and General Expenses Ratio to Total Sales*

	All Establishments	Size of Property			
		Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Payroll & Related Expenses	4.7%	3.6%	4.5%	5.1%	5.4%
Bad Debts	0.1	0.1	0.1	0.2	**
Credit Card Commissions	1.5	1.6	1.4	1.5	**
Data Processing Services	0.2	1.2	0.2	0.1	**
Insurance (General)	1.7	2.3	2.1	1.6	**
Licenses & Dues	0.1	0.1	0.1	0.1	**
Operating Supplies	0.3	0.5	0.4	0.2	**
Professional Fees	0.3	0.5	0.4	0.3	**
Security	0.1	**	0.4	0.0	**
Travel & Entertainment	0.2	0.2	0.2	0.1	**
All Other Expenses	0.9	1.0	1.1	0.8	**
Total	10.6%	9.4%	10.5%	10.9%	10.6%

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Exhibit 11

How the Marketing Dollar Was Allocated*

	Location of Property						Affiliation			
	All Establishments	Center City	Suburban	Airport	Highway	Resort	Chain Owned	Chain Managed	Chain Franchised	Independent
Payroll & Related Expenses	25.6%	24.4%	30.9%	24.9%	19.5%	28.4%	18.7%	33.9%	27.0%	27.9%
Sales Expenses	10.1	8.6	9.4	10.6	4.1	19.8	6.8	15.3	4.9	13.0
Advertising Expenses										
Print	13.2	11.7	19.0	13.3	9.6	11.6	12.4	15.7	5.8	12.9
Radio & TV	4.6	5.5	3.9	5.7	2.8	2.1	10.3	1.0	1.5	0.8
Outdoor	3.1	2.8	2.4	2.7	5.7	3.8	2.9	4.5	5.1	2.0
Other	9.6	5.8	12.9	12.6	7.5	9.9	6.4	6.2	2.9	21.5
Merchandising	3.9	5.5	1.8	4.6	1.1	3.2	5.8	3.0	4.2	1.8
Public Relations	2.3	3.3	1.3	0.8	5.5	1.1	0.9	1.5	2.4	5.5
Franchise Fees	12.9	14.9	3.6	10.2	38.0	5.0	18.2	4.6	35.6	2.7
All other Expenses	14.7	16.5	14.8	14.6	6.2	15.1	17.6	14.3	10.6	11.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*All amounts are means.

Exhibit 12

Energy, Property Operation and Maintenance Departments Amounts Per Available Rooms*

	Energy						Property Operation & Maintenance		
	Fuel	Electricity	Water	Steam	Energy Credit	Total Energy	Payroll and Related	Other Expenses	Total
Median, All Establishments	\$230	\$ 740	\$100	\$118	\$22	\$1,022	\$ 619	\$652	\$1,202
Location									
Center City	\$238	\$ 664	\$111	**	\$18	\$1,021	\$ 731	\$627	\$1,150
Suburban	212	822	87	**	**	994	495	603	1,105
Airport	223	780	85	**	**	1,080	777	723	1,578
Highway	**	**	**	**	**	**	**	**	**
Resort	240	944	109	**	**	1,296	1,044	689	1,918
Size									
Under 150 Rooms	\$160	\$ 390	\$ 90	**	**	\$ 547	\$ 270	\$438	\$ 702
150-299 Rooms	219	736	87	**	**	1,029	488	610	1,090
300-599 Rooms	283	901	125	**	**	1,266	1,103	719	1,835
600 and Over	**	**	**	**	**	1,432	1,101	903	2,319
Average Room Rate									
Under \$45.00	**	\$ 301	\$ 64	**	**	\$ 456	\$ 213	\$280	\$ 525
\$45.00-\$59.99	\$193	575	85	**	**	870	486	454	821
\$60.00-\$79.99	264	771	107	**	**	1,085	850	693	1,624
\$80.00 and Over	249	1,039	130	**	**	1,468	1,103	910	1,918

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Exhibit 13
Fixed Charges
Amounts per Available Room and Ratio to Total Sales*

	Amounts per Available Room								Ratio to Total Sales
	Rent	Property Taxes	Property Insurance	Interest	Amortization & Depreciation	Leased Equipment	Other	Total	
Median All Establishments	\$ 986	\$421	\$323	\$1,730	\$2,033	\$210	\$ 86	\$5,109	26.7%
Location									
Center City	\$ 868	\$520	\$243	\$1,401	\$1,952	**	\$239	\$5,109	26.4%
Suburban	**	376	419	1,710	1,715	**	**	4,378	27.0
Airport	**	**	**	**	**	**	**	4,654	21.8
Highway	**	**	**	**	**	**	**	**	**
Resort	**	542	288	**	2,210	**	**	7,152	26.7
Size									
Under 150 Rooms	\$ 563	\$258	\$323	\$ 957	\$1,239	**	**	\$3,654	27.5%
150-299 Rooms	**	567	481	2,125	2,552	**	**	5,612	25.4
300-599 Rooms	2,069	741	288	5,132	2,703	**	**	7,772	21.5
600 and Over	**	**	**	**	**	**	**	**	**
Rate									
Under \$45.00	\$ 520	\$184	\$169	\$ 923	\$1,224	**	**	\$3,052	35.8%
\$45.00-\$59.99	**	351	293	1,946	2,009	**	**	4,869	22.9
\$60.00-\$79.99	**	670	472	2,118	3,036	\$217	**	5,729	25.8
\$80.00 and Over	3,336	708	613	3,381	2,717	**	**	7,848	26.1
Affiliation									
Chain/Owned	\$ 580	\$250	\$239	\$ 802	\$1,411	**	\$ 83	\$3,606	26.3%
Chain/Managed	**	955	269	**	3,334	**	**	8,334	28.8
Chain/Franchised	**	307	326	2,190	1,952	**	**	4,744	35.1
Independent	1,796	630	537	3,216	2,794	**	**	6,196	26.7
Occupancy									
Less than 60.0%	**	\$403	\$211	\$1,122	\$2,343	\$260	**	\$3,598	29.5
60.0-69.9%	**	438	341	1,814	2,009	**	**	5,483	30.1
70.0-79.9%	\$1,183	583	333	2,749	1,818	**	**	4,493	21.5
80.0% and Over	663	311	481	1,767	2,332	**	**	5,754	26.4

*All amounts are medians and do not necessarily add to totals shown.
 **Insufficient response.

Exhibit 14

Amounts Per Available Room*

Size of Property

	Size of Property			
	Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Annual Occupancy	74.2%	68.2%	71.2%	65.6%
Annual Room Rate	\$ 46.79	\$ 63.51	\$ 75.86	\$ 84.81
Revenue				
Rooms	\$12,762	\$15,628	\$20,727	\$18,710
Food	2,374	6,072	7,221	**
Beverage	**	2,110	2,208	**
Other Food & Beverage	180	498	531	**
Telephone	569	631	879	**
Minor-Operated	**	233	502	**
Rentals & Other Income	70	316	426	**
Total	\$14,077	\$23,451	\$32,822	\$30,910
Department Expenses				
Rooms	\$ 2,548	\$ 3,681	\$ 5,777	\$ 6,172
Food & Beverage	3,493	6,623	9,298	9,228
Telephone	459	595	732	**
Minor-Operated	**	183	293	**
Total	\$ 2,875	\$10,298	\$15,832	\$15,768
Department Profit				
Rooms	\$10,026	\$ 9,802	\$14,615	\$12,825
Food & Beverage	29	1,381	1,183	719
Telephone	56	96	114	**
Minor-Operated	**	78	79	**
Rentals & Other Income	70	316	426	**
Total	\$10,567	\$12,558	\$16,607	\$14,654
Undistributed Operating Expenses				
Administrative & General				
Payroll & Related	\$ 568	\$ 1,228	\$ 1,827	\$ 1,714
Other	724	1,669	1,807	1,566
Total	\$ 1,839	\$ 2,628	\$ 3,508	\$ 3,449
Marketing				
Payroll & Related	\$ 168	\$ 473	\$ 609	\$ 732
Other	597	1,056	1,266	1,480
Total	\$ 597	\$ 1,448	\$ 1,792	\$ 2,216
Energy Costs	\$ 547	\$ 1,029	\$ 1,266	\$ 1,432
Property Operations & Maintenance	\$ 702	\$ 1,090	\$ 1,835	\$ 2,319
Total Undistributed Operating Expenses	\$ 3,661	\$ 6,066	\$ 8,208	\$ 9,520
Income Before Management Fees	6,264	6,485	8,053	5,069
Management Fees (Base & Incentive)	627	746	1,133	**
Income Before Fixed Charges	\$ 6,264	\$ 5,543	\$ 7,858	\$ 4,096
Fixed Charges	\$ 3,654	\$ 5,612	\$ 7,772	**
Income Before Income Taxes	\$ 1,994	\$ 382	\$ (854)	**
Reserve for Capital Replacement	**	**	**	**

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Exhibit 15
Amounts Per Available Room*
Occupancy and Average Room Rate

	Occupancy				Average Room Rate			
	Less than 60.0%	60.0-69.9%	70.0-79.9%	80% and Over	Under \$45.00	\$45.00-\$59.99	\$60.00-\$79.99	\$80.00 and Over
Annual Occupancy	52.4%	65.6%	75.0%	84.7%	74.9%	71.8%	70.6%	66.8%
Annual Room Rate	\$63.47	\$72.00	\$62.23	\$63.51	\$35.47	\$62.06	\$67.41	\$97.95
Revenues								
Rooms	\$11,733	\$17,243	\$17,017	\$19,977	\$8,437	\$13,751	\$17,282	\$24,615
Food	8,818	5,044	5,360	7,235	**	3,791	6,818	7,346
Beverage	2,304	1,863	1,896	3,221	**	1,188	2,213	2,432
Other Food & Beverage	531	482	437	309	**	391	562	393
Telephone	510	785	725	819	272	574	787	919
Minor-Operated	246	429	301	**	**	**	289	570
Rentals & Other Income	206	314	564	261	27	273	312	504
Total	\$22,744	\$28,025	\$25,241	\$21,721	\$8,939	\$18,957	\$26,774	\$35,663
Department Expenses								
Rooms	\$ 3,468	\$5,129	\$5,104	\$5,090	\$1,799	\$2,886	\$5,071	\$6,646
Food & Beverage	9,038	6,796	7,091	8,302	**	4,444	8,336	9,215
Telephone	558	690	703	651	282	447	694	776
Minor-Operated	204	249	291	**	**	**	191	382
Total	\$13,745	\$13,215	\$12,281	\$8,817	\$1,958	\$8,290	\$13,988	\$16,769
Department Profit								
Rooms	\$7,932	\$13,584	\$12,754	\$14,913	\$6,784	\$10,107	\$12,546	\$18,323
Food & Beverage	339	458	732	1,387	**	840	738	760
Telephone	69	157	86	61	40	83	74	156
Minor-Operated	69	39	77	**	**	**	79	76
Rentals & Other Income	206	314	564	261	27	273	312	504
Total	\$8,967	\$14,675	\$14,234	\$15,452	\$6,830	\$11,130	\$14,141	\$19,139
Undistributed Operated Expenses								
Administrative & General								
Payroll & Related	\$1,462	\$1,442	\$1,443	\$1,234	\$97	\$1,035	\$1,581	\$1,904
Other	1,176	1,764	1,374	1,593	491	1,031	1,733	1,894
Total	\$2,528	\$3,082	\$2,463	\$2,361	\$530	\$1,916	\$2,896	\$3,986
Marketing								
Payroll & Related	\$595	\$659	\$602	\$443	**	\$368	\$594	\$848
Other	922	1,266	881	988	308	809	1,001	1,854
Total	\$1,297	\$1,783	\$1,341	\$1,044	\$295	\$1,043	\$1,451	\$2,518
Energy Costs	\$1,135	\$1,041	\$1,057	\$724	\$456	\$670	\$1,085	\$1,468
Property Operations & Maintenance	\$1,125	\$1,381	\$1,630	\$911	\$525	\$821	\$1,624	\$1,918
Total Undistributed Operating Expenses	\$6,829	\$7,662	\$7,165	\$4,958	\$2,113	\$4,518	\$7,379	\$9,911
Income Before Management Fees	3,485	7,692	7,958	10,736	4,522	6,896	7,464	9,540
Management Fees (Base & Incentive)	596	735	826	1,046	437	703	857	1,214
Income Before Fixed Charges	\$3,046	\$7,392	\$7,799	\$9,839	\$4,165	\$6,264	\$6,419	\$8,956
Fixed Charges	\$3,598	\$5,483	\$4,493	\$5,754	\$3,052	\$4,869	\$5,729	\$7,848
Income Before Income Taxes	\$(2,614)	\$349	\$382	\$4,192	\$1,289	\$875	\$415	\$(1,825)
Reserve for Capital Replacement	**	**	**	**	**	**	**	**

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Exhibit 16
Ratio to Total Sales*
Occupancy & Average Room Rate

	Occupancy				Average Room Rate			
	Less than 60.0%	60.0-69.9%	70.0-79.9%	80.0% and Over	Under \$45.00	\$45.00-\$59.99	\$60.00-\$79.99	\$80.00 and Over
Annual Occupancy	52.4%	65.6%	75.0%	84.7%	74.9%	71.8%	70.6%	66.8%
Annual Room Rate	\$63.47	\$72.00	\$62.23	\$63.51	\$35.47	\$52.06	\$67.41	\$97.95
Revenue								
Rooms	62.0%	67.7%	69.9%	92.4%	99.2%	73.3%	62.8%	67.3%
Food	26.0	20.1	18.4	17.9	**	19.3	23.9	21.0
Beverage	9.0	7.6	6.2	7.6	**	6.3	7.8	7.2
Other Food & Beverage	2.3	2.1	1.5	0.9	**	2.1	2.2	1.0
Telephone	2.7	2.9	2.7	2.8	3.3	2.9	2.8	2.8
Minor-Operated	1.2	0.7	1.0	**	**	**	1.1	1.5
Rentals & Other Income	0.8	1.0	2.1	1.0	0.3	1.6	1.0	1.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses								
Rooms	17.7%	17.7%	18.4%	19.6%	21.4%	16.0%	17.7%	17.7%
Food & Beverage	35.7	27.6	24.2	21.1	**	21.6	29.3	27.3
Telephone	2.5	2.3	2.7	2.5	3.0	2.6	2.5	2.3
Minor-Operated	0.9	0.6	0.9	**	**	**	0.7	0.9
Total	54.2%	44.4%	44.1%	38.1%	22.6%	40.7%	47.0%	46.7%
Department Profit								
Rooms	42.6%	52.2%	51.0%	63.1%	77.2%	52.2%	43.8%	49.4%
Food & Beverage	1.6	1.8	3.0	4.3	**	4.4	2.5	1.7
Telephone	0.4	0.5	0.3	0.2	0.5	0.4	0.3	0.4
Minor-Operated	0.3	0.1	0.2	**	**	**	0.4	0.2
Rentals & Other Income	0.8	1.0	2.1	1.0	0.3	1.6	1.0	1.2
Total	45.8%	55.6%	55.9%	61.9%	77.4%	59.3%	53.0%	53.3%
Undistributed Operating Expenses								
Administrative & General								
Payroll & Related	5.1%	4.8%	5.0%	3.5%	1.1%	5.0%	5.6%	4.7%
Other	5.5	5.7	5.1	5.6	5.3	5.3	5.7	5.5
Total	11.4%	10.8%	10.1%	9.4%	5.7%	10.1%	11.2%	10.3%
Marketing								
Payroll & Related	2.3%	2.3%	2.0%	1.5%	**	1.8%	2.1%	2.0%
Other	4.3	4.1	4.0	3.4	4.0	4.0	3.4	4.9
Total	6.7%	5.7%	6.1%	4.0%	3.8%	6.0%	5.0%	6.7%
Energy Costs	5.5%	3.9%	4.0%	3.3%	5.1%	4.6%	4.0%	3.8%
Property Operations & Maintenance	5.7%	5.0%	5.6%	4.7%	6.1%	4.5%	5.4%	5.2%
Total Undistributed Operating Expenses	29.6%	25.4%	25.6%	22.3%	24.3%	25.1%	25.4%	26.0%
Income Before Management Fees	16.9	29.2	30.3	45.5	54.1	33.2	26.4	25.4
Management Fees (Base & incentive)	3.0	3.0	3.0	3.9	5.2	3.3	3.0	3.0
Income Before Fixed Charges	14.9%	26.3%	25.9%	42.1%	49.8%	28.8%	23.6%	25.1%
Fixed Charges	29.5%	30.1%	21.5%	26.4%	35.8%	22.9%	25.8%	26.1%
Income Before Income Taxes	(10.2)%	0.3%	2.4%	19.2%	18.7%	5.5%	2.4%	(3.1)%
Reserve for Capital Replacement	**	**	**	**	**	**	**	**

*All amounts are medians and do not necessarily add to totals shown.

**Insufficient response.

Exhibit 17
Amounts Per Available Room*

	Affiliation				
	All Establishments	Chain Owned	Chain Managed	Chain Franchised	Independent
Annual Occupancy	70.9%	72.6%	69.9%	67.4%	67.5%
Annual Room Rate	\$ 64.43	\$ 54.37	\$ 74.69	\$ 56.09	\$ 75.20
Revenues					
Rooms	\$15,929	\$13,800	\$18,199	\$12,054	\$16,979
Food	6,418	5,017	5,175	4,154	6,769
Beverage	2,110	2,213	1,863	1,291	2,432
Other Food & Beverage	449	426	447	285	383
Telephone	730	784	789	555	601
Minor-Operated	289	160	290	**	450
Rentals & Other Income	279	116	316	**	464
Total	\$23,561	\$17,669	\$30,107	\$21,725	\$24,793
Department Expenses					
Rooms	\$ 4,929	\$ 3,370	\$ 6,194	\$ 3,088	\$ 5,394
Food & Beverage	8,294	7,789	6,672	4,739	8,977
Telephone	652	678	655	425	671
Minor-Operated	248	339	185	**	462
Total	\$10,792	\$ 7,697	\$15,100	\$ 8,140	\$14,237
Department Profit					
Rooms	\$11,947	\$10,670	\$13,477	\$ 9,145	\$12,979
Food & Beverage	661	864	891	269	70
Telephone	90	91	85	98	22
Minor-Operated	66	27	107	**	35
Rentals & Other Income	279	116	316	**	464
Total	\$13,035	\$11,211	\$15,481	\$ 9,644	\$13,994
Undistributed Operating Expenses					
Administrative & General					
Payroll & Related	\$ 1,374	\$ 962	\$ 1,888	\$ 1,159	\$ 1,244
Other	1,440	1,062	1,807	956	1,714
Total	\$ 2,578	\$ 2,067	\$ 3,820	\$ 2,071	\$ 2,752
Marketing					
Payroll & Related	\$ 580	\$ 471	\$ 715	\$ 400	\$ 588
Other	1,001	713	1,298	945	1,237
Total	\$ 1,417	\$ 970	\$ 2,075	\$ 1,395	\$ 1,585
Energy Costs	\$ 1,022	\$ 858	\$ 1,258	\$ 904	\$ 878
Property Operations & Maintenance	\$ 1,202	\$ 979	\$ 1,711	\$ 745	\$ 1,125
Total Undistributed Operating Expenses	\$ 6,616	\$ 4,463	\$ 8,686	\$ 5,485	\$ 6,777
Income Before Management Fees	7,033	6,155	6,989	5,106	8,217
Management Fees (Base & Incentive)	788	801	927	**	757
Income Before Fixed Charges	\$ 6,321	\$ 5,955	\$ 5,746	\$ 3,915	\$ 7,956
Fixed Charges	\$ 5,109	\$ 3,606	\$ 8,334	\$ 4,744	\$ 6,196
Income Before Income Taxes	\$ 922	\$ 1,295	\$ (490)	\$ 18	\$ (1,766)
Reserve for Capital Replacement	\$ 938	**	**	**	**

*All amounts are medians and do not necessarily add to totals shown.
 **Insufficient response.

Location of Property

Center City	Suburban	Airport	Highway	Resort
67.5%	69.7%	72.3%	71.9%	72.6%
\$ 75.14	\$ 63.51	\$ 62.54	\$ 46.89	\$ 93.93
\$18,127	\$15,214	\$15,654	\$11,740	\$21,092
6,769	6,516	5,916	**	7,232
2,213	2,158	2,126	**	2,083
476	562	478	**	280
795	665	732	563	875
547	301	**	**	**
296	138	246	**	476
\$26,236	\$22,563	\$23,513	\$16,453	\$32,895
\$ 5,156	\$ 3,738	\$ 5,098	**	\$ 5,430
8,667	8,336	7,509	**	8,847
748	539	668	**	729
386	183	**	**	**
\$12,749	\$ 8,564	\$13,733	**	\$15,537
\$12,912	\$11,290	\$11,371	**	\$16,102
525	1,096	811	**	240
92	57	93	**	106
71	62	**	**	53
296	138	246	**	476
\$13,828	\$13,165	\$12,174	**	\$18,746
\$ 1,377	\$ 1,148	\$ 1,498	**	\$ 1,815
1,522	1,090	1,644	**	1,765
\$ 2,764	\$ 2,257	\$ 2,416	**	\$ 3,716
\$ 644	\$ 626	\$ 579	**	\$ 506
1,136	597	1,082	**	1,240
\$ 1,448	\$ 1,210	\$ 1,441	**	\$ 1,549
\$ 1,021	\$ 994	\$ 1,080	**	\$ 1,296
\$ 1,150	\$ 1,105	\$ 1,578	**	\$ 1,918
\$ 7,201	\$ 5,870	\$ 7,101	**	\$ 9,186
7,789	7,551	6,653	**	10,551
811	692	834	**	1,007
\$ 7,085	\$ 7,651	\$ 6,060	**	\$10,222
\$ 5,109	\$ 4,378	\$ 4,654	**	\$ 7,152
\$ 938	\$ 932	\$ 922	**	\$ 1,156
**	**	**	**	**

Exhibit 18
Ratio to Total Sales*

	Affiliation				
	All Establishments	Chain Owned	Chain Managed	Chain Franchised	Independent
Annual Occupancy	70.9%	72.6%	69.9%	67.4%	67.5%
Annual Room Rate	\$64.43	\$54.37	\$74.69	\$56.09	\$75.20
Revenue					
Rooms	69.7%	77.5%	67.1%	73.6%	66.0%
Food	20.9	19.3	20.4	18.8	24.7
Beverage	7.2	7.2	6.0	5.4	8.3
Other Food & Beverage	1.6	1.7	1.3	1.8	0.8
Telephone	2.8	2.9	2.8	2.8	2.5
Minor-Operated	1.0	0.5	0.9	**	1.7
Rentals & Other Income	1.0	0.6	1.1	**	1.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses					
Rooms	18.2%	18.5%	18.8%	16.0%	18.7%
Food & Beverage	27.7	27.3	22.9	21.0	29.8
Telephone	2.5	2.6	2.3	2.5	2.4
Minor-Operated	0.8	1.2	0.5	**	1.5
Total	44.1%	39.0%	47.3%	39.2%	45.4%
Department Profit					
Rooms	51.9%	55.9%	47.5%	54.1%	47.8
Food & Beverage	2.1	3.7	4.3	2.2	0.5
Telephone	0.4	0.4	0.3	0.5	0.0
Minor-Operated	0.2	0.1	0.3	**	0.3
Rentals & Other Income	1.0	0.6	1.1	**	1.7
Total	55.9%	61.0%	52.7%	60.8%	54.6%
Undistributed Operating Expenses					
Administrative & General					
Payroll & Related	4.7%	4.5%	5.5%	4.6%	4.9%
Other	5.5	5.5	5.4	5.5	5.6
Total	10.6%	9.5%	10.7%	10.4%	11.4%
Marketing					
Payroll & Related	2.0%	1.7%	2.3%	2.5%	1.7%
Other	4.0	3.8	4.2	5.2	3.7
Total	5.8%	4.4%	6.4%	6.9%	5.4%
Energy Costs	4.3%	4.4%	4.2%	4.8%	3.7%
Property Operations & Maintenance	5.3%	6.0%	5.2%	4.2%	5.2%
Total Undistributed Operating Expenses	25.3%	24.5%	27.1%	26.6%	25.3%
Income Before Management Fees	31.2	33.5	19.7	33.2	28.8
Management Fees (Base & Incentive)	3.0	4.3	3.0	**	3.5
Income Before Fixed Charges	28.7%	32.1%	16.5%	29.0%	26.8%
Fixed Charges	26.7%	26.3%	28.8%	35.1%	26.7%
Income Before Income Taxes	3.6%	12.2%	(1.5)%	0.1%	(4.6)%
Reserve for Capital Replacement	6.4%	**	**	**	**

*All amounts are medians and do not necessarily add to the totals shown.
**Insufficient response.

Location of Property

Center City	Suburban	Airport	Highway	Resort
67.5%	69.7%	72.3%	71.9%	72.6%
\$75.14	\$63.51	\$62.54	\$46.89	\$93.93
68.3%	73.3%	68.4%	75.1%	69.7%
19.9	26.7	21.0	**	22.2
7.1	9.3	7.5	**	6.1
1.4	2.5	1.9	**	0.8
2.8	2.5	3.0	2.8	2.9
1.4	1.3	**	**	**
1.0	0.6	1.0	**	1.2
100.0%	100.0%	100.0%	100.0%	100.0%
19.3%	18.8%	18.3%	**	17.2%
28.0	28.5	28.5	**	26.6
2.6	2.3	2.3	**	2.1
1.3	0.8	**	**	**
44.6%	38.6%	46.5%	**	43.6%
50.8%	55.2%	47.8%	**	52.7%
1.6	4.4	4.7	**	0.7
0.3	0.2	0.4	**	0.4
0.2	0.2	**	**	0.2
1.0	0.6	1.0	**	1.2
55.4%	61.4%	53.5%	**	56.4%
4.6%	4.3%	5.1%	**	5.0%
5.4	5.1	5.8	**	5.4
10.9%	9.3%	10.0%	**	9.9%
1.9%	2.0%	2.2%	**	1.6%
3.6	3.2	4.8	**	4.2
5.1%	5.3%	6.5%	**	6.4%
3.9%	4.5%	4.1%	**	4.2%
5.6%	5.4%	5.2%	**	5.1%
25.3%	24.6%	26.8%	**	25.3%
30.9	32.2	29.7	**	32.8
3.4	3.0	3.0	**	3.0
26.5%	29.2%	24.0%	**	29.8%
26.4%	27.0%	21.8%	**	26.7%
2.1%	4.7%	5.3%	**	3.0%
**	**	**	**	**

Exhibit 19
Ratio to Total Sales*
Size of Property

	Size of Property			
	Under 150 Rooms	150-299 Rooms	300-599 Rooms	600 Rooms and Over
Annual Occupancy	74.2%	68.2%	71.2%	65.6%
Annual Room Rate	\$46.79	\$63.51	\$75.86	\$84.81
Revenue				
Rooms	96.0%	66.0%	64.2%	59.0%
Food	11.5	20.9	22.4	**
Beverage	**	8.5	7.2	**
Other Food & Beverage	0.7	2.3	1.5	**
Telephone	3.1	2.6	2.9	**
Minor-Operated	**	1.3	1.7	**
Rentals & Other Income	0.5	1.1	1.2	**
Total	100.0%	100.0%	100.0%	100.0%
Department Expenses				
Rooms	20.8%	16.0%	17.7%	19.4%
Food & Beverage	15.6	27.2	28.4	29.6
Telephone	2.5	2.4	2.5	**
Minor-Operated	**	0.8	1.2	**
Total	24.9%	44.4%	50.8%	53.7%
Department Profit				
Rooms	74.8%	49.5%	44.5%	41.8%
Food & Beverage	0.3	4.6	4.2	2.4
Telephone	0.4	0.4	0.3	**
Minor-Operated	**	0.4	0.3	**
Rentals & Other Income	0.5	1.1	1.2	**
Total	75.1%	55.6%	49.2%	46.3%
Undistributed Operating Expenses				
Administrative & General				
Payroll & Related	3.6%	4.5%	5.1%	5.4%
Other	5.4	6.2	5.4	5.0
Total	9.4%	10.5%	10.9%	10.6%
Marketing				
Payroll & Related	1.0%	2.1%	2.0%	2.5%
Other	3.7	4.0	3.4	5.0
Total	3.7%	6.1%	5.6%	7.4%
Energy Costs	4.4%	4.5%	3.9%	4.6%
Property Operations & Maintenance	5.4%	4.5%	5.3%	6.7%
Total Undistributed Operating Expenses	24.0%	26.7%	25.3%	29.7%
Income Before Management Fees	50.3	29.5	25.3	16.6
Management Fees (Base & Incentive)	4.8	3.0	3.0	**
Income Before Fixed Charges	47.1%	27.2%	23.7%	13.3%
Fixed Charges	27.5%	25.4%	21.5%	**
Income Before Income Taxes	18.3%	2.4%	(3.1)%	**
Reserve for Capital Replacement	**	**	**	**

*All amounts are medians and do not necessarily add to totals shown.
 **Insufficient response.

Exhibit 20
1986 California Trend Summary

	Occupancy		Room Sales per Occupied Room	
	1986	1985	1986	1985
Los Angeles Total ¹	70.2%	68.7%	\$ 65.01	\$ 63.65
Airport	77.4%	71.9%	\$ 58.24	\$ 59.35
Bev. Hills/West L.A.	69.2	60.6	100.20	100.59
Downtown	63.5	62.7	63.88	60.84
Hollywood	73.9	70.7	55.80	54.56
Long Beach	70.3	72.7	64.78	61.36
Pasadena	72.9	72.0	63.78	58.41
San Fernando Valley	73.7	70.5	66.31	67.70
San Bern. Fwy. Corr.	56.1	63.3	66.81	64.64
South Bay	74.4	76.8	63.48	63.31
San Diego Total ²	72.3%	75.3%	\$ 70.30	\$ 68.10
Downtown	67.4%	74.3%	\$ 73.65	\$ 69.93
Bay Area	77.9	79.1	69.57	86.14
Mission Valley	72.4	76.5	54.66	53.39
La Jolla	73.9	75.8	81.29	75.77
North County	66.4	65.9	84.54	87.26
South Bay	70.5	71.4	32.20	33.95
Other	69.4	73.1	38.97	39.53
San Francisco International Airport ³	56.6%	58.4%	\$ 50.30	\$ 47.07

¹Source: Los Angeles Trend of Business in the Lodging Industry, December 1986.

²Source: San Diego Trend of Business in the Lodging Industry, December 1986.

³Source: San Francisco International Airport Trend of Business in the Lodging Industry, December 1986.

UNDERSTANDING MEDIANS & MEANS

The annual studies written by the Research Division of Laventhol & Horwath utilize medians for the majority of their reported results. This article will give an in-depth explanation on medians and quartiles, as well as briefly discuss means, along with practical uses of both.

A median is defined as the middle value of all amounts calculated for a specific line item. For example, if we received nine responses for number of full-time employees—8,4,2,6,9,7,5,1,3, these numbers would be arranged sequentially: 1,2,3,4,5,6,7,8,9 and the middle value "5" would be the median since 50 percent of the responses received are below the value and 50 percent are above.

In conjunction with medians, lower and upper quartiles are used to give a further description to the sample results. Occasionally, we use means to report data, but we believe the median is the most appropriate method to report our results. This is because the median gives less biased results. Medians keep results from being skewed by one or two respondents. For example, if a few responding hotels incurred large operating losses, these losses would be divided evenly among all hotels in the sample (when using mean calculations); and bring down the average net profit of the entire group, which for the most part may have had respectable profits.

Quartiles divide the responses into four equal parts, with the median still being the middle value. The *lower quartile* is the value that separates the lowest 25 percent of the responses from the rest of the sample when arranged sequentially, while the *upper quartile* defines the boundaries of the upper 25 percent of the responses from the lower 75 percent. Stated another way, 50 percent of all responses fall between the lower and upper quartiles.

For example, if we receive 99 responses for a specific item and the responses (conveniently) were numbered 1 through 99, the median (or middle value) would be 50, the lower quartile would be 25 (25 percent of the responses would be below 25), and the upper quartile would be 75 (25 percent of the responses would be above 75). Fifty percent (or half) of the responses would fall between the lower and upper quartiles. (See chart below.)

While reading this report, it should become evident that columns do not total when medians are involved. The reason behind this is **EACH LINE ITEM IS ANALYZED SEPARATELY!** In Table I when all amounts are arranged sequentially, the median amount per room for total revenue is \$22,405. This figure is based on the 60 properties that gave us information for this specific line item.

Theoretically, if each property reported each line item, and one property happened to have the median value for each type of revenue, then the medians would total. But since not every property has a

food and beverage operation, or a minor department, the sample size changes for each line item. Different sample sizes is one reason why figures do not add to the totals shown.

There is another major reason that columns do not total. When using medians, it is important to remember that the median food sales, the median beverage sales and the median total sales figures reported probably represent the results for three separate properties, even though the sample size of each may be equal. This also holds true for lower and upper quartile figures.

The terms mean, average, and arithmetic mean are all synonymous. A mean is calculated by summing the results and dividing by the number of responses. In Table II, the sum of the number of restaurant seats is 1,940. Divide this by the nine respondents and the mean (average) is 216 seats per restaurant. By comparison, the median number of seats is 140. It is obvious that the average is skewed by the two restaurants with 500 and 600 seats.

Responses Arranged Sequentially

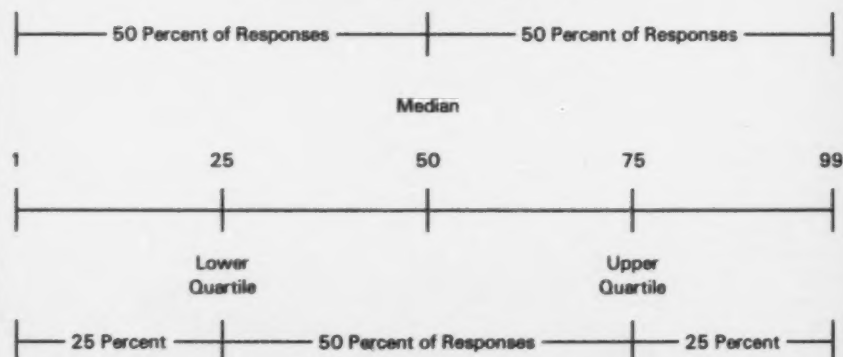


Table I

	Amount Per Suite		
	Lower Quartile	Median	Upper Quartile
Revenues			
Rooms	\$13,587	\$18,098	\$24,130
Food	1,038	3,664	6,564
Beverage	251	1,300	3,147
Other Food & Beverage	95	180	396
Telephone	429	668	881
Minor-Operated	104	389	1,073
Rentals & Other Income	100	250	525
Total	\$14,729	\$22,405	\$30,548

Table II
Restaurant Seating

Hotel Restaurant	Number of Seats	Average Daily Seat Turnover	Number Seats Occupied Daily (Column 1 x Column 2)
1	60	3.80	228
2	80	4.20	336
3	100	3.70	370
4	120	2.90	348
5	140	2.00	280
6	160	1.70	272
7	180	1.90	342
8	500	1.20	600
9	600	1.00	600
Total	1,940	22.40	3,376
Median	140	2.00	342 ¹
Average (rounded)	216	2.49	538

¹The median number of seats occupied daily is 342 (the middle value of column 3). Notice that this is not equal to the product of the median number of seats multiplied by the median average daily seat turnover, which is 280. It is incorrect to use medians in calculations, such as addition or multiplication.

Table II shows a group of hotels that provided information on the number of restaurant seats available. They also provided the number of guests served, so the average daily seat turnover was calculated. The average number of seats for this sample is approximately 216 (1,940 divided by 9) and the median number of seats is 140 (the middle value of all respondents when responses are arranged sequentially). The average seat turnover is 2.49 and the median is 2.00. With this information, the mean and median for the number of seats occupied daily can be calculated.

● The median number of seats occupied daily is 342 (the middle value of column 3).

● To compute the average number of seats occupied per day, multiply the average number of seats per restaurant of 216 by the average daily seat turnover of 2.49. This gives the average daily seat turnover of approximately 538. The mean number of seats is greatly influenced by the two large properties with 500 and 600 seats.

As shown, median and means both have their uses, with medians not being affected by one or two responses that vary significantly from the rest of the sample. This is the main reason the majority of our studies report the data as medians.

**The number used for sample sizes are representative and are not actual sample sizes.*

EXPLANATION OF TERMS

Room sales

Guest room revenue generated from accommodations on a part-day occupancy, full-day or longer period basis, net of any rebates and discounts. Also included are charges for maid or linen services.

Rentals and Other Income

Income from vending machine concessions and commissions, public telephone commissions, merchandise sales of postcards, souvenirs and newspapers, commissions on guest laundry, valet, meeting room rentals and all other income not included elsewhere.

Payroll and Related Expenses—Rooms Department

The salaries and wages of departmental personnel and management including: overtime, holiday and vacation pay. Also included are employee benefits and payroll taxes such as Federal, state, social security and workmen's compensation.

Payroll and Related Expenses—Administrative and General

Salaries and wages for the resident manager or managing director, secre-

taries, reception clerks and bookkeepers.

Undistributed Operating Expenses—Administrative and General

Expenses incurred from bad debts, credit cards commissions, data processing services, general insurance, licenses and dues, operating supplies, professional fees, security services, travel and entertainment and other related miscellaneous expenses.

Marketing

Advertising, publicity, franchise fees and other promotional expenses such as printing newspaper, magazine and billboard space and broadcasting time.

Energy

The costs of fuel, electrical current and water.

Payroll and Related Expenses—Property Operation and Maintenance

Payroll and related expenses related with the repair and maintenance of the building, furniture and fixtures and equip-

ment, in addition to all other expenses necessary to keep the property in operating condition.

Property Operation and Maintenance

The cost of materials used in repairing equipment, the exterior and interior of the building (floors, walls, doors, furniture), grounds and landscaping, painting and decorating, the removal of waste matter and other related expenses necessary for the upkeep of the lodging facility.

Management Fees

Fees charged by a management organization for management service or supervision should be charged to the account.

Income Before Fixed Charges

Income before fixed charges is defined as total departmental revenue from all sources (rooms, minor departments, rentals and other income, and telephone) less all departmental and undistributed operating expenses. This is the income from all operations before deducting rent, property taxes, property insurance, interest, depreciation and income taxes.

PROPERTY ANALYSIS WORKSHEET

This worksheet will provide a quick analysis of how your property is performing in comparison to the industry.

Worksheet

(Use medians from exhibits)

Amount Per Available Room	Your Property	Comparison 1	Comparison 2
Average Annual Occupancy			
Average Annual Room Rate			
Revenues			
Rooms			
Food			
Beverage			
Other Food & Beverage			
Telephone			
Minor-Operated			
Rentals & Other			
Total			
Department Expenses			
Rooms			
Food & Beverage			
Telephone			
Minor-Operated			
Total			
Department Profit			
Rooms			
Food & Beverage			
Telephone			
Minor-Operated			
Rentals & Other			
Total			
Undistributed Expenses			
Administrative & General			
Payroll & Related			
Other			
Total			
Marketing			
Payroll & Related			
Other			
Total			
Energy			
Property Operations & Maintenance			
Total Undistributed Expenses			
Income Before Management Fees			
Management Fees (Base & Incentive)			
Income Before Fixed Charges			
- Fixed Charges			
Income Before Income Taxes			
Reserve for Capital Replacement			

LEISURE TIME INDUSTRY CONTACTS

Laventhol & Horwath has, since its inception, specialized in providing sophisticated advisory services to all facets of the lodging industry. The Leisure Time Advisory Services practice is the largest of its kind in the country in terms of fee volume, professional staff, geographic diversification and service capability. L&H routinely serves as adviser to the nation's most prominent hotels, developers, financiers, syndicators and industrial corporations on methods used in developing, financing, managing, operating and marketing lodging properties.

The following list contains the services that L&H provides to the lodging industry as well as the contact person:

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